

STATE OF MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
MINUTES OF THE  
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING  
February 13 & 14, 2012

CALL TO ORDER

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 2:00 p.m., Wednesday, February 13, 2013 at the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Nelson, Vice-Chairman Wayne Smith, Don Bradshaw, Ronald S. Efta, Jay Gunderson, Jack King and Bret Smelser. Staff present was attorney Chris Buslee, Jim Halvorson, George Hudak, Terri Perrigo, Tom Richmond and Steve Sasaki.

APPROVAL OF MINUTES

A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the minutes of the December 12, 2012 business meeting.

PUBLIC COMMENT

There was no public comment.

DENBURY ONSHORE, LLC – CO2 POTENTIAL IN CEDAR CREEK ANTICLINE

Mr. Tommy Yates of Denbury Onshore, LLC (Denbury) was present and introduced Matt Dahan (also of Denbury) who went through the power point presentation attached as Exhibit 1. Mr. Dahan said they will begin CO2 injection in Bell Creek Field in a couple of months.

Mr. King thanked Denbury for being in Montana and at the meeting. They are a big player and he appreciates where they are going with the CO2 project.

Mr. Gunderson asked for some feedback about how horizontal wells fit in with CO2 injection. Mr. Dahan said there is some debate how to use horizontal wells. They increase production in one sense, but since Denbury will be targeting multi zones they are not sure if horizontal will help.

Mr. Bradshaw asked about the pipeline from Wyoming to Bell Creek. Mr. Dahan said it was completed in December. Denbury will begin filling it from the Wyoming side in a couple of weeks. They anticipate it will take 6-8 weeks to pack the line before the CO2 reaches Bell Creek.

## FORCE POOLING COMMITTEE UPDATE

Mr. Efta said he got very little feedback on the email he sent on January 25 to board and committee members regarding force pooling guidelines (email attached as Exhibit 2) . There are three areas he feels need further consideration by the board.

The first item is force pooling of unlocatable mineral owners. He proposes establishing an unlocatable trust. Mr. Efta thinks when penalties are imposed a large portion goes into a trust with the clerk of court and most of the time it ends up being escheated to the state. He thinks the state could be hurt when there is no requirement to establish unlocatable mineral owner trusts.

The second item is fairly self explanatory: furnishing of proof that mineral owners who were located actually received notice.

The third item has to do with a reasonable offer and the perceived threats from oil companies that mineral owners either need to “take it or leave it” in regard to their lease offer – and if they do not “take it” they will be force pooled.

Dennis Trudell of Northeastern Montana Land and Mineral Owners Association (NEMLMOA) agrees with the first two items. He would like the guidelines to expand on how to deal with owners who find out they have a mineral interest months after the well is drilled. He also would like to see more about unfair offers. He asked Mr. Efta what the committee thought about how to make companies make reasonable offers and what proof the board should be provided to show it was a reasonable offer. Mr. Efta said there is a fine line there. The industry attorneys continually remind us that the Board should not interfere with private contracts. Mr. Efta agrees the Board should not be in the business of reviewing contracts. But he thinks when a company makes its offer; it may not be a bad idea to find out what is a typical bonus and typical royalties in the area. He also said he thinks it is mostly leasing agents that make the alleged threats to mineral owners

Attorney Brent Chicken said right now in Eastern Montana, depending on where you are, the bonus and per acre rate can be a lot different than it was a few years ago. The Board needs to keep timing in mind when trying to compare offers or determine typical rates. The Board should remember that it only hears about some cases. A lot of the others just lease and never say anything.

Mr. Bradshaw thanked Dennis Trudell and NEMLMOA for all the assistance they provide to mineral owners. Mr. Trudell said he thinks there should be an advocate that people could turn to for information. Right now they don't have anywhere to find out what their options are. Mr. Smith said there are a lot of good oil and gas attorneys out there and people could be referred to them. Mr. Trudell said he refers people to attorneys all the time. Probably one of the main questions he gets is where to find an oil and gas attorney. Mr. Trudell said NEMLMOA is a good organization, and one of its main purposes is to help land and mineral owners negotiate better with oil companies. But the Board has the ability to determine whether a reasonable offer was made to the mineral owner.

Mr. Trudell said when force pooling issues come up there are timeframes that kick into place and have to be followed. A lot of people don't even know what they own or where until they get a letter saying accept the offer or they will be force pooled. And when something is up for hearing or a permit to drill has been filed, he advises people to contact Mr. Richmond and/or Mr. Halvorson to discuss what happens next. But people need to keep themselves informed too.

Mr. Chicken said in other states there are rules about when and who can protest an application. In Montana all someone has to do is show up and protest. Or they can show up and just complain. But they have to do something. They just cannot sit on their rights. But organizations like NEMLMOA have to be careful because they don't want to give out any information that could be construed as legal advice.

Mr. Buslee asked if there was a booklet or anything published by the state that people could be referred to when they have questions about force pooling.

Mr. Trudell thinks that would be a good idea. Right now it is up to the individual to find out what to do. If there was a pamphlet or booklet available that people could be referred to that would help. He would like the Board to explore that.

Mr. Richmond said there is a split estate brochure that is supposed to be given out, and there is a link on the Board's website to it. He thinks MSU Extension Service has brochures on oil and gas, and he knows they have done some seminars in places where there are leasing booms. But when he looked recently he did not see anything on force pooling. Chairman Nelson said the extension service may be a good place to put something about force pooling, plus they have representatives in each county. Mr. Richmond said he will contact the extension service and suggest they produce a pamphlet on force pooling. He said Board staff may have to write it for them though.

Mr. Trudell thought a pamphlet or booklet on force pooling would be a good thing for companies to include in the packet they send out to mineral owners.

Sam Pickard, a mineral owner in Roosevelt County, said the main complaint he hears is that royalties in force pooling need to be more in line with what is being paid today. The current force pooling laws give oil companies incentive not to find people and not to make reasonable offers in line with today's prices.

Annie Ostby, a mineral owner from Dagmar, said North Dakota has a frequently asked questions (FAQ) link on its website and force pooling is one of the FAQ's. She thinks Mr. Trudell's idea of a booklet is a good one. Because the average age in Eastern Montana is mid-70's, she thinks there needs to be more than internet availability. She thinks a FAQ section on the Board's website would be a great idea, but something needs to be published also. She said if she got a letter threatening force pooling if she did

not lease, she would go to the Board website for information before she would go to the extension service website.

In regard to timelines, Ms. Ostby said when a company applies for a drilling permit it is in the newspaper for one day. And someone has 10 days to protest and then has to find an attorney, etc. When people get a letter to lease or be force pooled, they have 30 days to respond and they also have to scramble to find information and/or an attorney. It is great to say anyone can show up on the day of the hearing to protest, but that is not the reality of how it is on the ground. People cannot always just drop what they are doing and head to Billings for a day or two.

Mr. Chicken reminded the board the time period between filing of a permit to drill and filing for permanent spacing is significant. Companies do not know whether a well will be commercial or not. There is a risk component there.

Chairman Nelson reminded the Board there is legislation proposed that would change force pooling penalties. Attorney John Lee said when force pooling statutes were originally drafted by his former associate Kemp Wilson, it was intentional that if someone chose not to lease their minerals they should experience the same risk level as the company putting its money up. If mineral owners want to be in the oil and gas game they should be subject to standard risk. Mr. Chicken agreed with Mr. Lee.

Mr. Efta said he would like to re-direct this discussion back to the committee's recommendations. Regarding creation of an unlocatable mineral owners trust, companies have to do this anyway when there is production--but there is no reason they have to wait that long. Companies can get a lease signed by the clerk of court. He's also heard that a many of these trusts escheat to the state after seven years.

In regard to the furnishing of proof that the mineral owner received notice, it would be nice to see receipts of certified letters, etc.

The third recommendation is a bit more difficult. Mr. Efta recognizes the importance of staying out of private contract law. He also recognizes that a majority of the perceived threats are made by leasing agents, not the companies themselves.

Mr. Efta said he would be happy to draft guidelines. There are new appointments to the Board being made soon, and when new people come on it will take a while to get them up to speed. The Board has been discussing this matter for a number of meetings and Mr. Efta thinks it is time to come up with guidelines.

Mr. King suggested the Board proceed and allow Mr. Efta to write guidelines. He agrees now is the time before the new appointees come on board. He also thinks the idea of producing some guidance on force pooling whether through brochure/pamphlet/FAQ section or combination of all three is a good idea.

Attorney John Lee expressed his satisfaction with the current Board. Its discussion on force pooling has come from good intentions. Mineral owners have called him and asked how risk penalties work. But he does not give business advice. He does not think the Board needs guidelines. The current system works well and he would hate to see it changed.

Mr. Lee had other comments. If a person has a valuable property interest, it is their responsibility to let people know how to contact them. He does not believe it is the government's place to protect that person. In regard to providing a signed receipt, he thinks if the Board requires that it is against the belief of the mail system. All attorneys provide proof of service by mailing already.

In regard to the reasonableness guideline, he strongly believes the Board cannot be in the middle of business decisions. Mineral owners have called him and asked how risk penalties work. But he does not provide them with business advice.

Mr. Smith agreed with Mr. Lee. But Mr. Smith thinks the creation of an unlocatable mineral owner trust may be a problem because the counties also don't want to do it. Maybe if statute were changed so those trust funds eventually escheated to the counties would make a difference. He thinks that may be a better route to go. Mr. Richmond thought that was an interesting idea.

#### FINANCIAL REPORT

Ms. Perrigo distributed and discussed the financial report, attached as Exhibit 3.

#### BOND SUMMARY

Mr. Halvorson distributed and discussed the bond summary, attached as Exhibit 4.

#### DOCKET SUMMARY

Mr. Halvorson distributed and discussed the docket summary attached as Exhibit 5. He said the Show-Cause dockets for James D. Hofland and J.H. Oil Company (109 and 110-2013) have been dismissed because the fine and reports were received. The same situation with Docket 111-2013 for Fairways Exploration & Production, LLC: the docket is dismissed because the fine was paid.

#### STAFF REPORTS

Mr. Sasaki distributed an update report from Danny Murphy of Mountain Pacific General, attached as Exhibit 6, regarding their requirement to plug four wells by the August 2013 meeting of the Board.

Mr. Sasaki then discussed progress on the orphan well plugging program. Mr. King asked if the Board would be getting RIT grants for well plugging this session. Mr. Richmond said no, it didn't appear so

because the priority grants have been taken out of the funding line-up. The budget office thought the Board was behind on spending previous biennia grants so it did not recommend funding for well plugging grants this session. Since the Board's two \$300,000 priority grants each biennium are set forth in statute, the plan is to temporarily change the statute to skip the 2015 biennium only. Mr. King asked if the Montana Petroleum Association could go testify on the Board's behalf to get those grants back in the funding line up.

Mr. Richmond said there is another bill going through the legislature that would give the Board a program to give approximately \$10 million per year in infrastructure and other grants to oil impacted cities/towns/counties in Eastern Montana. He said there are a couple versions being considered--- giving it to the Board and giving it to Department of Commerce.

Mr. Hudak reported on one case of unauthorized injection. Denbury began injecting in Bell Creek without doing an MIT. Unauthorized injection is considered a high priority violation by EPA. We have to report it and they will follow up to see what was done. Mr. Hudak said no environmental damage was done and there was no knowing or willful component to the action. He recommends a \$500 fine.

**MOTION:** A motion was made by Mr. Smelser, seconded by Mr. Gunderson and unanimously passed, to fine Denbury \$500 for unauthorized injection.

Mr. Halvorson reminded the Board of the Big Snowy Resources ownership issue that he spoke about earlier. The former owner of Big Snowy did not want the new owner to file reports under the Big Snowy name. Now the successor company has not paid taxes and someone wants an address of service for the Board. Mr. Halvorson said he got Mr. Buslee involved because his understanding is that this is an issue pending in district court. Mr. Halvorson said the Board re-stated its position of not determining ownership at the Spoklie hearing in December. He said this matter may need further discussion at the next business meeting.

Chairman Nelson said she got the formal invitation for the Board to once again hold its April business meeting and public hearing on the MT Tech campus.

Mr. Efta presented a letter from MSU Watercourse, attached as Exhibit. They are requesting funding for their meeting near Glacier Park and they are inviting a Board member to be a speaker at their event. Part of their letter said their theme is hydraulic fracturing and as part of their meeting they will take a field trip to Browning to see a frac job. Mr. Smith said there has not been in frac'ing in Browning for a long time. He also said if there happened to be one going on, only authorized persons would be allowed on the site.

**MOTION:** Mr. Smelser made a motion, seconded by Mr. Efta, not to provide funding for the Watercourse meeting. Mr. Efta will write a letter to them saying no funding but that the Board would provide a speaker if requested.

## PUBLIC HEARING.

The Board reconvened on Thursday, February 14, 2013 at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana, to hear the matters docketed for public hearing. As a result of the discussion, testimony and technical data placed before the Board, the following action was taken in each matter.

Docket No. 1-2013 – A motion was made by Mr. King, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Southwestern Energy Production Company as set forth in Board Order 33-2013.

Docket No. 2-2013 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Primary Petroleum Company, LLC as set forth in Board Order 1-2013.

Docket No. 3-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 19-2013.

Docket No. 4-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 20-2013.

Docket No. 5-2013 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 21-2013.

Docket No. 6-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 22-2013.

Docket No. 7-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 23-2013.

Docket No. 8-2013 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 24-2013.

Docket No. 9-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 25-2013.

Docket No. 10-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 26-2013.

Docket No. 11-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 27-2013.

Docket No. 12-2013 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 28-2013. Board member Jack King recused himself.

Docket No. 13-2013 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 29-2013. Board member Jack King recused himself.

Docket No. 14-2013 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 30-2013. Board member Jack King recused himself.

Docket No. 15-2013– The application of Whiting Oil and Gas Corporation was continued to the April 2013 hearing.

Docket No. 16-2013– The application of Whiting Oil and Gas Corporation was continued to the April 2013 hearing.

Docket No. 17-2013– The application of Whiting Oil and Gas Corporation was continued to the April 2013 hearing.

Docket No. 18-2013 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 32-2013.

Docket No. 19-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 65-2013.

Docket No. 20-2013 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 2-2013.



Docket No. 21-2013 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 3-2013.

Docket No. 22-2013 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 4-2013.

Docket No. 23-2013 – A motion was made by Mr. Smelser, seconded by Mr. King and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 5-2013.

Docket No. 24-2013 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 6-2013. Board member Jack King recused himself.

Docket No. 25-2013 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 7-2013. Board member Jack King recused himself.

Docket No. 26-2013 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 8-2013. Board member Jack King recused himself.

Docket No. 27-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 9-2013. Board member Jack King recused himself.

Docket No. 28-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 10-2013. Board member Jack King recused himself.

Docket No. 29-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 11-2013. Board member Jack King recused himself.

Docket No. 30-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 12-2013. Board member Jack King recused himself.

Docket No. 31-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 13-2013. Board member Jack King recused himself.

Docket No. 32-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 14-2013. Board member Jack King recused himself.

Docket No. 33-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 15-2013. Board member Jack King recused himself.

Docket No. 34-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 16-2013. Board member Jack King recused himself.

Docket No. 35-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 17-2013. Board member Jack King recused himself.

Docket No. 36-2013– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 37-2013– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 38-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 18/-2013.

Docket No. 39-2013– The application of EOG Resources, Inc. was continued to the April 2013 hearing.

Docket No. 40-2013– The application of EOG Resources, Inc. was continued to the April 2013 hearing.

Docket No. 41-2013– The application of EOG Resources, Inc. was continued to the April 2013 hearing.

Docket No. 42-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 66-2013.

Docket No. 43-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 67-2013.

Docket No. 44-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 68-2013.

Docket No. 45-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 69-2013.

Docket No. 46-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 70-2013.

Docket No. 47-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 71-2013.

Docket No. 48-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 72-2013.

Docket No. 49-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 73-2013.

Docket No. 50-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 74-2013.

Docket No. 51-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 75-2013.

Docket No. 52-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 76-2013.

Docket No. 53-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 77-2013.

Docket No. 54-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 78-2013.

Docket No. 55-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 79-2013.

Docket No. 56-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 80-2013.

Docket No. 57-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 81-2013.

Docket No. 58-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 82-2013.

Docket No. 59-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 83-2013.

Docket No. 60-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 84-2013.

Docket No. 61-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 85-2013.

Docket No. 62-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 86-2013.

Docket No. 63-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 87-2013.

Docket No. 64-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 88-2013.

Docket No. 65-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 89-2013.

Docket No. 66-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 90-2013.

Docket No. 67-2013 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 36-2013.

Docket No. 68-2013 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 37-2013.

Docket No. 69-2013– The application of Continental Resources, Inc. was continued to the April 2013 hearing.

Docket No. 70-2013 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 38-2013.

Docket No. 71-2013 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 39-2013. Board member Jack King recused himself.

Docket No. 72-2013 – A motion was made by Mr. Smith, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 40-2013. Board member Jack King recused himself.

Docket No. 73-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 41-2013. Board member Jack King recused himself.

Docket No. 74-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 42-2013. Board member Jack King recused himself.

Docket No. 75-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 43-2013. Board member Jack King recused himself.

Docket No. 76-2013 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 44-2013.

Docket No. 77-2013 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 45-2013. Board member Jack King recused himself.

Docket No. 78-2013 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 46-2013. Board member Jack King recused himself.

Docket No. 79-2013 – A motion was made by Mr. Efta, seconded by Mr. Gunderson and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 47-2013. Board member Jack King recused himself.

Docket No. 80-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Summit Gas Resources, Inc. as set forth in Board Order 48-2013.

Docket No. 81-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Gunderson and unanimously passed, to approve the application of Summit Gas Resources, Inc. as set forth in Board Order 49-2013.

Docket No. 82-2013– The application of XTO Energy Inc. was continued to the April 2013 hearing.

Docket No. 83-2013– The application of XTO Energy Inc. was continued to the April 2013 hearing.

Docket No. 84-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Shakespeare Oil Company, Inc. was approved as set forth in Board Order 91-2013.

Docket No. 85-2013 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of G3 Operating, LLC as set forth in Board Order 50-2013.

Docket No. 86-2013 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 51-2013.

Docket No. 87-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Epyon Oil, Inc. was approved as set forth in Board Order 92-2013.

Docket No. 88-2013 and 5-2013 FED – The application of Longshot Oil, LLC involves land under the jurisdiction of the Bureau of Land Management (BLM) of the United States Department of the Interior. The order will be issued by the BLM.

Docket No. 89-2013 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and unanimously passed, to approve the application of Longshot Oil, LLC as set forth in Board Order 55-2013.

Docket No. 90-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Longshot Oil, LLC was approved as set forth in Board Order 93-2013.

Docket No. 91-2013 and 6-2013 FED – The application of Anschutz Exploration Corporation involves land under the jurisdiction of the Bureau of Land Management (BLM) of the United States Department of the Interior. The order will be issued by the BLM.

Docket No. 92-2013 and 7-2013 FED – The application of Anschutz Exploration Corporation involves land under the jurisdiction of the Bureau of Land Management (BLM) of the United States Department of the Interior. The order will be issued by the BLM.

Docket No. 93-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 94-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 95-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 96-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 97-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 98-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 99-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 100-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 101-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 102-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 103-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.



Docket No. 104-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 105-2013– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 106-2013 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and passed, to approve the application of VAALCO Energy (USA), Inc. as set forth in Board Order 56-2013. Board member Jack King voted no.

Docket No. 107-2013 – A motion was made by Mr. Smelser, seconded by Mr. Gunderson and passed, to approve the application of VAALCO Energy (USA), Inc. as set forth in Board Order 56-2013. Board member Jack King voted no.

Docket No. 152-2012– The application of EOG Resources, Inc. was withdrawn.

Docket No. 356-2012– The application of EOG Resources, Inc. was withdrawn.

Docket No. 476-2012– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 490-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 491-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 492-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 494-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 58-2013. Chairman, Linda Nelson and Board member Ronald Efta voted no.

Docket No. 495-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 497-2012 – A motion was made by Mr. Smelser, seconded by Mr. King and passed, to approve the application of Brigham Oil & Gas, LP as set forth in Board Order 59-2013. Chairman, Linda Nelson and board member Ronald Efta voted no.

Docket No. 498-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 499-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and passed, to approve the application of Anadarko Minerals, Inc. as set forth in Board Order 60-2013. Board member Jack King voted no.

Docket No. 500-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and passed, to approve the application of Anadarko Minerals, Inc. as set forth in Board Order 61-2013. Board member Jack King voted no.

Docket No. 535-2012 – A motion was made by Mr. Gunderson, seconded by Mr. Smelser and unanimously passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 63-2013.

Docket No. 536-2012– The application of Marathon Oil Corporation was continued to the April 2013 hearing.

Docket No. 537-2012 & 1-2013 FED – A motion was made by Mr. King, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Marathon Oil Corporation as set forth in Board Order 64-2013.

Docket No. 538-2012– The application of Marathon Oil Corporation was withdrawn.

Docket No. 614-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 52-2013.

Docket No. 615-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 53-2013.

Docket No. 624-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 625-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 626-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 627-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 628-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 629-2012 – A motion was made by Mr. Smith, seconded by Mr. Gunderson and unanimously passed, to approve the application of Fidelity Exploration & Production Company as set forth in Board Order 54-2013.

Docket No. 630-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 631-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 632-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 634-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 635-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 636-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 637-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 638-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 639-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 640-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 641-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 642-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 643-2012– The application of Fidelity Exploration & Production Company was withdrawn.

Docket No. 646-2012 – A motion was made by Mr. Bradshaw, seconded by Mr. Smelser and passed, to approve the application of Anadarko Minerals, Inc. as set forth in Board Order 62-2013. Board member Jack King voted no.

Docket No. 684-2012 – A motion was made by Mr. Smelser, seconded by Mr. Bradshaw and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 31-2013.

Docket No. 692-2012– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 693-2012– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 696-2012– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 697-2012– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 709-2012– The application of Slawson Exploration Company was continued to the April 2013 hearing.

Docket No. 715-2012– The application of Apache Western Exploration LLC was continued to the April 2013 hearing.

Docket No. 736-2012– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 737-2012– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 738-2012– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 746-2012– The application of Oasis Petroleum, Inc. was continued to the April 2013 hearing.

Docket No. 750-2012 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Sands Oil Company as set forth in Board Order 34-2013.

Docket No. 751-2012 – A motion was made by Mr. Smith, seconded by Mr. King and unanimously passed, to approve the application of Sands Oil Company as set forth in Board Order 35-2013.

Docket No. 758-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 759-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 760-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 761-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 762-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 763-2012– The application of Brigham Oil & Gas, LP was continued to the April 2013 hearing.

Docket No. 108-2013– The show-cause hearing of Kykuit Resources, LLC was continued to April 2013 hearing, and will be withdrawn if the delinquent production reports and fine are received as set forth in Board Order 94-2013.

Docket No. 109-2013– The show-cause hearing of James D. Hofland was dismissed

Docket No. 110-2013– The show-cause hearing of J.H. Oil Company was dismissed

Docket No. 111-2013– The show-cause hearing of Fairways Exploration & Production, LLC was dismissed

#### NEXT MEETING

The next business meeting of the Board will be Wednesday, April 24, 2013 at 2:00 p.m. in the Poore Conference room on the 2<sup>nd</sup> floor of the University Relations Center on the Montana Tech campus in Butte, Montana. The next regular public hearing will be Thursday, April 25, 2013, beginning at 8:00 a.m. in the Poore Conference room on the 2<sup>nd</sup> floor of the University Relations Center on the Montana Tech campus in Butte, Montana. The filing deadline for the April 25, 2013, public hearing is March 28, 2013.

#### BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

---

Linda Nelson, Chairman  
Wayne Smith, Vice-Chairman  
Don Bradshaw  
Ronald S. Efta  
Jay Gunderson  
Jack King  
Bret Smelser

ATTEST:

---

Terri H. Perrigo, Executive Secretary